Recruitment and Training and the Dynamics of Digitalization

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1 Introduction

The current digital and technological transformation affecting the European steel industry is having an impact not only on the industrial processes but also on all the processes related to people. Within this transition, some of the most important aspects are those related to Recruitment and Training. For a simple matter of generational replacement, the candidates and the newcomers on board are coming with dramatically different expectancies than those responsible for hiring decisions. Moreover, the ways these candidates participate in the recruitment processes have nothing to do with what was commonplace not so many years ago.

The hiring process in the 1990s was paper-based. The post was advertised in the newspapers and the candidates had to apply by post. This made the process necessarily manual and much slower than nowadays. At the same time, companies are looking for standardized methodologies that allow them to take the best hiring decisions regardless of the experience of the recruiter. In addition, it is very important what the companies do when the candidates are hired. Not everybody reaches 100% of the requirements from the beginning and, even so, the job function changes and evolves in time. The job's evolution, or even change, takes place faster and faster if we compare it with the last decades, almost at the rhythm of technological changes. As such, we might say, digitalization has come to the world of People Talent Management to improve it.

The demographic evolution is having an important impact on companies' People Departments. What used to be known as the age pyramid is becoming something different because of longer life expectancy and extended working life. According to age distribution evolution, we are moving from a world populated by young people

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to a world where life expectancy is progressively increasing. The consequences of the demographic change have an impact on several fields, such as environment, workforce, and resources. In this chapter, we focus on the workforce.

An important part of the people in our companies are non-digital natives that are slowly being replaced by newcomers born in the age of smartphones and the internet. I say slowly because the evolution of employment in the steel industry has seen in Europe a dramatic decrease in the last 50 years. Nowadays, there are just 327.000 direct jobs in the sector.[1] In this context, it can be assumed that the turnover is low and consequently the ageing is high. According to the data, the challenges are mainly in 2 areas: hiring and learning and development.

First, hire the right people according to our needs in a VUCA world (Volatility, Uncertainty, Complexity and Ambiguity) where the candidates depending on their age may be non-digital natives. If we look at unexperienced candidates, we need to be aware of the formal training that they are currently receiving from the education system (VET or University) and to what extent this education matches with the company's needs. The talent market is a global one now. So, it is necessary to share our opportunities globally. We have to raise the internal awareness of the importance of the Hiring Function in the Steel Industry. The Quality of the Hiring Function is possible throughout robust recruiting processes. Standardization decreases ambiguity, guesswork, and guarantees quality. We need to work with the necessary digital tools. It is about new recruitment versus old-fashioned recruitment processes. Linked to the hiring process, we have to take advantage of social networks to share our Employee Value Proposition, which is related to young people's aspirations towards their jobs.

As regards learning and development, as a starting point, we need to explain clearly to the newcomers what we expect from them. Companies have to develop the skills according to the identified gaps. Every process that we define to assess the performance of the employees according to the identified skills needs has to be done at the right cost considering the budget availability. The development must be done with the best available trainers to guarantee quality. The best trainers of internal talents are normally in-house. Working with the necessary digital tools is another necessity and training and digitalization go hand in hand.

In what follows, I focus on the hiring process itself and the main challenges to be faced by the companies to success in this important field. Second, I focus on the importance of quality and what does that mean in this context. Thereafter, we highlight the learning and development as another priority to take into account.

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[1] *Source*   https://ec.europa.eu/growth/sectors/raw-materials/related-industries/metal-industries/steel-sector-careers_en.

2 Hiring: Hire the Right People

"You can train a turkey to climb a tree. But I'd rather hire a squirrel." This saying is true in a world more or less stable. Due to an increased speed of new forms of digitization, there is an evolutionary change in the world of work. As a result, the demands for highly qualified professionals are rising. The question is, how do we find the right candidates that are already sufficiently trained to face our needs in the steel industry?

The current industrial processes and the technology applicable in the steel industry are in a permanent evolution. The training programs formally designed in modern educational centres simply cannot keep up with the speed of this evolution. So, if we cannot meet all our needs with non-experienced professionals, we have to look for candidates currently working in the industry. Considering the demographic changes and digitalization, qualified professionals in the industry are scarce, especially in some departments such as maintenance or engineering. If we look at the market, we could find out that semi-qualified workers need to refresh their knowledge to meet our needs.

Apparently, we could believe that because of the non-digital native issue, this reskilling and upskilling is a difficult job. However, our experience reveals that employees are shifting their perception of reskilling/upskilling from it being a valued opportunity to being an essential step in remaining employable or even to find internal development paths in the current company. Moreover, if we look at the increase in the share of the population using internet it is very clear that in Europe we do not have to be afraid of considering reskilling, especially in digitalization, as a real opportunity that we have to take. In our experience, the employees expect the organization to teach them the new skills that are going to be needed. Thus, it is a Company's responsibility to establish the way to assess the performance and the development needs.

3 Educational Centres (VET / Universities)

The companies are eager to establish partnership agreements with VET institutions/Universities to collaborate in the training of the students consistently with current industrial needs. In turn, the companies are open to help educational institutions to develop the training programs in order to align them with business needs. There is a clear opportunity for improvement in the gap between the current educational programs and the professional functions to be covered. Committed production managers in our company highlight that universities and VET centres are missing opportunities by not working hand in hand with companies, taking advantage of their production lines as actual testing laboratories to put in practise their theoretical lessons.

Universities and VET institutions are full of professionals that when focused on companies needs can do a very good job. Their capacity to gather the concepts and transform them into methodologies and training processes is something really appreciated in the industry. The rhythm in the companies makes it almost impossible to take time to design "how" to develop people´s skills. This is where the educational centres can add more value. The mismatch between formal education and companies' necessities is nothing new. What is probably new is the growing distance between the schools and the companies, because of the speed of digitalization.

There are very important initiatives to address this issue. The European institutions are perfectly aware of this opportunity and consequently, we can see strong programs related to this such as the ESSA project (as a principal focus for this volume—see Chaps. 1 and 2 for more information on the project).

4 Searching for the Candidates

If there is a common scarce resource nowadays, it is time. This is not any different in "People Departments" in any industry, steel sector included. That is why it is normal to think that when we are talking about hiring, we have an important need to do it fast, today better than tomorrow. The pressure that the line managers put on the recruiters is proportional to the speed at which the business is moving. In those circumstances, it is easy to believe that any shortcut can be welcome, but… it does not work. When we are dealing with such an important task, hiring, HR partners must make the supervisors understand the necessity to act in due time, not before.

One typical temptation is to hire in the local labour markets. Depending on the function we are aiming to cover, it can work but in a more and more globalized context, those offering posts and seeking talent might open their minds to candidates located further afield. Searches over greater distances are possible today and much easier than some years ago, when it was much more difficult to find relevant information, and job opportunities were traditionally shared across paper media, e.g. newspapers.

There are many opportunities to explore the internet and the candidates are now more open to work in a different geographical area if the project is worth taking (depending on the culture). Companies need to open their search channels to these digital environments either by learning themselves how to do it or by means of third parties. A recommendation for HR Departments could be to manage these strategic tasks internally if they can. The hiring function is one of the most important ones in our HR Departments, so it makes sense to drive it with internal resources. There are also different ways to do it according to local culture.

The more we enlarge the pool of candidates when we start the hiring process, the more likely will be the success of finding the perfect candidate. It will be more feasible to find a better candidate if we start from a pool of 1000 than if we have to count on just 10 of them in the first stages of the recruitment process. When we share these thoughts with our recruiters, they consider this as something just aspirational, especially in certain geographical areas where mobility is not an option. We need

to have our minds open to embrace candidates from unexpectedly far away cities. Young people are moving for different reasons than previous generations and mainly for the sake of the project or the purpose more than for pure geographical matters.

However, there are many barriers to the mobility of people: language, local policies, and economic reasons for instance. Some of them are manageable some others are more challenging. But what is clear is that the world is becoming more and more connected and even now that we have just suffered heavy restrictions because of Covid-19 we can foresee that globalization is not going to stop because of mobility issues. The conclusion then is that globalization can be an opportunity.

5   Quality First

When talking about hiring, excellence should be the standard. The costs of hiring are huge and the costs of bad hiring are even larger. It is not acceptable to hire fast because the business is in a need to cover a position quickly. The HR people must feel comfortable challenging their counterparts if for any reason the priorities are not clear enough for them. In addition, it is not acceptable to face a hiring process without a robust methodology behind it. Some managers used to believe that they were the best recruiters because they had a very good gut feeling, and they trusted their instinct. Obviously, this is a misconception.

We need to consider many things before we face a hiring process. It is fair to know that it takes time. And it is one of the most important decisions in a business context comparable to the decision process of buying an asset of 500.000 € (to compare apples to apples 500.000 € is the investment required when we hire someone who will stay 20 years in the company at a linear gross yearly salary of 25.000 €). The costs of hiring are high; however, they are only the tip of the iceberg, compared with the costs of hiring badly.

Quality is also associated with standardization. It is not fair to treat people differently in a different department or site within the same company. The same is applicable to the recruiting function. That means that the hiring process needs a robust design and better if it is shared throughout the business. To do so it is necessary to involve the right people, namely the future users of the design/system. Adopting agile ways of working implies taking into account the opinions and suggestions of final users (normally the Human Resources professionals) to build the process itself. It will give them a higher sense of ownership and will provide valuable input to the final design.

Cultural change is on top of the aspects that need to be considered when we plan an upgrading of our hiring process. The most perfect process with the perfect training and communication plan, supported by the best tools in the market, can derail if we naively believe that people with different backgrounds, local business needs or different cultural roots will embrace it spontaneously. It is not possible to standardize any process without digitally supported sub-processes. The more data we manage, the stronger should be the digital system that is behind it. It is not only the

candidate´s information but also the different stages of the process, and the people that are participating in different moments. This generates more and more data that needs to be available. If we add information to the hiring process, that information must be accessible in the smartest possible way.

In any hiring process, we need to start defining who has to approve it; then, we must follow up with the internal agreement with the line manager regarding what exactly is the request. Once these steps are clear we must first search the market with a clear enough job posting in as many channels as possible. The idea is to build the biggest possible pool of candidates to increase the possibility of finding the best one. The screening process and data generated need digitalization, otherwise it will be impossible to manage. Once we have the shortlist of candidates, the documents generated in the interview phase must be shared in a single storage place available to all the stakeholders. Obviously, this process is a digital one. The final decision-making processes and every support document will be digitally shared, as well as the welcome and induction process.

The recruitment process does not finish once the candidate is on board. The first day of the newcomer's employment is the moment when we are going to check how good we have been in the hiring process. It is possible to measure the unexpected turnover, which is one of the key performance indicators in the recruiting function. If we do not measure what we do in HR Departments, we will not be taken seriously.

6 New Recruitment Processes Versus Old Recruitment Processes

Not many years ago, you could find the following characteristics related to the hiring function:

The process was based on paper (curricula stored in paper in a file cabinet), part of the recruitment process was outsourced (or it all if the company was not big enough), and access to recruitment portals was done outside the company's systems. It was also possible that the hiring request had no specific job description behind it. Regarding the role of Hiring Managers, they could share with the recruiter just a vague idea about their expectancies and not be challenged by the HR Department. Regarding the candidates, most of them were local, thus very little mobility.

The interviewers had no specific guidelines about the interview itself, mainly depending upon their experience and the decisions were taken by one or a maximum of two people. The consequence of this could be a high (not wished) turnover. At the end of the day, the results of these practices were uncertain. Nowadays the best practices in modern companies are based on these new principles: A hiring request with an approval workflow (digitally supported). The existence of the Job Description/Job Profile at the beginning of the hiring process once it has been approved. This Job Description has to be reviewed through a formal contact with the Hiring Manager to fine-tune the search. The publication of the offer internally and externally

(Corporate WEB, Job Boards…) is the next step. The fact that we offer internally every job opportunity is crucial to improve internal talent development and internal opportunities. The screening of candidates in the internal database plus candidates from Job Boards is an important part of the process.

Apart from the interviewers' point of view, it is more than recommendable to count on some surveys (cognitive, values, behavioural and emotional intelligence) to generate data. These surveys will be a powerful tool to compare objectively the different profiles. In the interview, it is necessary to check the competences identified in the profile. All of this will take us to a more robust decision based on different criteria. Last but not least, special relevance has the welcome and induction of the new professional. All these process requirements are possible if HR professionals are granted digital support. There are many solutions in the market to perform the hiring process in the companies. Depending upon the available resources, the systems have a different level of integration, but it is always necessary to do this in a digital way.

When it comes to the hiring request, it is necessary to have a clear idea from the beginning. We have to make the approval process easy and agile. It will be necessary to have the whole database of our people integrated with the hiring process platform in order to make it as smooth as possible. The job description with the competences associated to that function should be available electronically to make a smooth hiring process. Not doing it this way will mean we have to define the job every time we need to hire and this delays hiring.

When we talk about job description, we are not thinking of "rocket science". We need to know "briefly" the mission of the position/function, the main magnitudes associated, the environment of the position, who this professional is going to interact with, the competences associated (just 10 to 15 competences) and of course the accountabilities and educational/experience background requested. The competences in the job description are the base for preparing the interview. We need to explore the candidate´s expertise based on the competences that are relevant. The dialogue with the potential newcomer is about the facts that justify that the candidate has the necessary competences.

If the job description is good enough, we would have done most of the designing part of the hiring process. Otherwise, we will have to fine-tune it with our internal customers to gather the information missing to know exactly what skills we are looking for. The involvement of the hiring manager from the beginning and digital documentation of the briefing about her/his expectancies will save time in the future and will guarantee to do it well at the first trial. To have this conversation as a standard is not a "nice to have" part of our hiring process. HR professionals do not have 100% of the information needed to do the right recruiting. When the hiring manager is aware of the importance of this part, he/she becomes our best ally in this crucial part of our job.

Until this moment, we have not published any offer externally. Each of the previous steps require a robust digital system. All our recruiters or managers involved in the hiring will need to be experts enough to participate without no major headache. Is it possible? It has to be! There is a cultural aspect that needs to be managed.

Moreover, it is necessary to know that this process will be applied for non-specialized professionals and it is necessary to make it accessible.

Talking about the next steps, once we have a very clear idea of what type of professional we are looking for, we need to make it as visible as possible within the organization and outside. It is important not to forget the internal offer: to offer internally first, or simultaneously, all our hiring opportunities is not only good practice but a source of good news many times. It is always important to take into account that the necessity rises when it is urgent. Therefore, the pressure on the recruiters and the push of the hiring managers will be our business as usual. This is not obviously a good practice but it is a matter of fact. A way to avoid this is to include in the Strategic reflection a special chapter related to talent needs. It could be deployed at the most detailed department level and we could plan the talent hiring in advance. The more automated the next steps are, the faster recruitment goes, and the easier we will provide the business with the much-desired candidate.

The job offer should come from a good job description and will reflect what the candidate needs to know about us and mainly the tasks to be done once he/she joins the company. It is not so unusual to see nowadays people that have no clear idea about what the company wants them to do. It is a basic, not only for recruiting but also for development. If we cannot have the job description as the reference, we will never know how to assess the performance of our people and what direction has to be taken to provide development actions.

7   Taking Advantage of the Social Networks to Share Our Employee Value Proposition

Companies are more and more transparent, not only because of the fast way to share information but because of the possibilities offered by the World Wide Web to make them closer to customers or candidates. Facebook, LinkedIn, Instagram, and company portals are normally sites where the main messages have to be shared. Candidates can find out if a company matches with their expectations according to what the company shares about itself on social networks. Good candidates do the homework in advance and study what the company can offer before they formalize their application. The talent is having the opportunity to decide what a company can offer and it is good for everybody.

The company institutional page has to be updated and the follow up of the impact on the market is a must in any communication department. The employee value proposition or even the employer value proposition are powerful tools to develop the appeal of a company. The messages have to be easy to understand and necessarily close to the actual reality. The word of mouth is still alive but in a different channel. There are many possibilities to let society know who we are and recently born functions like Community Manager make it possible. It is not a one-shot deal but a daily activity that has to be integrated as business as usual.

8   Learning and Development

As stated, the ending and starting point of the recruiting process is the first day of employment. It is a must to share with the newly hired workers what the company wants them to do and what they are paid for. This is as simple or as complicated as to have a good job description, which has to be public and easily accessible to the professional but also to everybody else. And this document is not an isolated one. The job description has several links with other parts of the cycle of people's life: recruiting, development, performance, talent and succession. So, it is clear that either it is shared with the same and single point of access or the whole people architecture would not work.

None evolving jobs are a thing of the past. It is necessary to close the skills gaps assuming that they will exist sooner or later. In our VUCA World, the jobs can change so they must be updated. A number of people need to have access to the job description and they need to have the possibility to enrich it collaboratively. Of course, the approval workflows have to be taken into account but it must be open enough to always have a fresh version adapted to the reality. With the job description as the starting point it is necessary to establish a routine of gap analysis between the competences identified and the professional performance. This analysis must be paperless. The system has to work for the supervisors not the other way around. If supervisors have easy access and intuitive tools they will use them.

The tool needs to have all the information at the same moment of the assessment. The supervisor and the professional need all the information available while they hold their assessment interview and discuss about the competences and the grade to which that competence is developed. Once we have identified the development needs, the next step is to design the development plan. Learning is traditionally associated with classroom training activities. In our experience, those types of development actions are less effective. On the job experiences or involvement in projects is by far the main source of development. Coaching and mentoring actions would be the next in order of importance.

We not only rely on the classic learning in a classroom. In our experience, people integrate the learnings better if they do it on the job. If we go for job experiences it is not necessary to be very sophisticated, a simple multiskilling matrix can be a very good tool to guarantee the development of our people and a way to reach our business needs. The day-to-day business requests professionals to be able to work in different roles. A multiskilled team could work smoothly in situations of absenteeism or people dedicated to different projects. What supervisors want is to have the flexibility to arrange the shift easily with the people that they have on board. Programmes such as excel are not the solution, we need tools connected with our previously defined job descriptions to have the possibility to monitor in real-time how our inventory of talent is aligning with the multiskilling matrix.

Coaching has moreover, to be a tool to be spread. There is no better coaching session than in person. Having said this now we know that it is also possible to save time and money by doing it remotely. We could have the best coaches if we are

brave enough to start doing it in front of our screens. And the possibilities to explore aggregated information coming from a major database of coaches will provide better raw material to take decisions in development areas. Where are the best available trainers? They are normally in-house. The problem is that our people have the knowledge but they are not the best trainers because of the lack of a "train the trainers" methodology. In a nutshell, we have the best trainers with non-confirmed training skills.

The natural and fast temptation is to outsource this important activity. It means an important investment that has no return for the simple reason that the expertise as trainers is not developed in-house. It can be another interesting action to teach our experts on the methodology of training. That is actually a profitable business. It is not only that we save money in the long term but also an interesting consequence for the development opportunity that we provide to our people, just by showing others how good they are in their respective responsibilities.

And this part is not very digital related, but the opposite. People are starting to miss the traditional training where it was possible to socialize, network and learn with more presence. It is always possible to combine remote training and take advantage of digital communications to create blended programs where part of the audience is in one room while others are split in different locations. Virtual training, synchronous or asynchronous training activities, self-paced development actions, this is becoming more and more the trend in the digitalization of the training activities. It is important to find the right approach and keep face-to-face training when necessary. Some benefits of classic training are difficult to provide with digitalization. It is important then to decide what type of training is good depending upon the development objectives.

Without any doubt, our recent experience with the Covid-19 pandemic has brought some beneficial news. We have learnt to work remotely in an incredibly short period of time. At the same time, we see that we can improve productivity by reducing face-to-face meetings. There are other positive side effects like the possibility to democratize development activities like coaching by doing it remotely. The possibility to launch synchronous or asynchronous training programs for a bigger number of attendees by doing it with social distance (teams, zoom….) is another unexpected positive result. Some of these opportunities need development.

Remote working needs a long-term policy to make it possible even after pandemic times. It has been confirmed that it is good and positive for companies and professionals, so it is worth it to dedicate time to set the principles. With a special focus on digital skills and digital resources, it is necessary to define the polices accordingly (kpi´s, meetings, collaborative work). It is necessary to provide our people with the necessary tools to work in this new context where not everybody is under the same ceiling.

There is one risk: the inflation of non-productive remote meetings. The fact that it is possible to make them easier than ever means that it is necessary to think twice before inviting someone to our meetings. It is like a natural evolution from the analogic way of doing things to the digital one. It was possible before but maybe the pandemic has forced companies to do it in an agile way. What started as a temporary solution is becoming a long-term one. It is incredible the time we are saving by doing

things differently. A virtual coach session allows the coach and the coachee to be working in a different task until the very last minute before the session. Just because of that, it is worth it.

A side effect has to be taken into account: The disengagement sensation that can affect remote workers might eventually appear either in a coaching activity or in remote training. Thus, it is necessary to train the coach and the trainer in techniques to keep the people engaged. It is no longer convenient using boring powerpoint presentations with the trainer reading an impossible to see slide with plenty of small characters. Presenting with passion is now more necessary than ever.

9 Conclusion

In this chapter, I have reflected on my experience of the recruitment process within a major steel company and the challenges and opportunities brought by an increasingly digitized human resources process, and a changing steel industry. The ESSA project flags up the latter challenges in terms of skill needs and wider developments of digitalization and decarbonization: the twin challenges referenced often in this volume. It is important that steel companies respond effectively to recruit and train the best talent—we know that the industry struggles to recruit young people because the industry image is poor—and utilize all new digital recruitment developments to good effect.

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